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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/851,895	05/09/2001	Robert W. D'Loren	10477-0003-999	4312
20583	7590	03/15/2006	EXAMINER	
JONES DAY 222 EAST 41ST ST NEW YORK, NY 10017			LIVERSEDGE, JENNIFER L	
			ART UNIT	PAPER NUMBER
			3628	
DATE MAILED: 03/15/2006				

Please find below and/or attached an Office communication concerning this application or proceeding.



## **DETAILED ACTION**

### ***Specification***

The disclosure is objected to because of the following informalities:

Page 17, line 20 refers to Figure B however, there is no evidence of a Figure B.

Page 18, line 26 refers to Figures A and B however, there is no evidence of a Figure A or B.

Figure 4, Item 246 is not described in the specification.

Appropriate correction is required.

Applicant is reminded of the proper language and format for an abstract of the disclosure.

The abstract should be in narrative form and generally limited to a single paragraph on a separate sheet within the range of 50 to 150 words. It is important that the abstract not exceed 150 words in length since the space provided for the abstract on the computer tape used by the printer is limited. The form and legal phraseology often used in patent claims, such as "means" and "said," should be avoided. The abstract should describe the disclosure sufficiently to assist readers in deciding whether there is a need for consulting the full patent text for details.

The language should be clear and concise and should not repeat information given in the title. It should avoid using phrases which can be implied, such as, "The disclosure concerns," "The disclosure defined by this invention," "The disclosure describes," etc.

### ***Drawings***

The drawings are objected to because:

Figure 1 Item 2 should be "input device" not "imput device".

Figure 2 Item 120 should be "necessary for" not "unnecessary for".

Lines such as 116 should be labeled.

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Figure 3 should include Item 110 as it is referenced in the spec.

Figure 3 "redit enhancer" should be "credit enhancer".

Figure 3 each item should contain a reference number and the reference number described in the spec, ie. Investors should be labeled as Item 500 per the spec., Placement agent should have a reference number, etc.

Figure 4 should show Item 234 from page 32, line 27.

Figure 4, Item 267 should be 260 per page 32, line 34.

Figure 4, Item 266 should not be labeled with question marks.

Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. The figure or figure number of an amended drawing should not be labeled as "amended." If a drawing figure is to be canceled, the appropriate figure must be removed from the replacement sheet, and where necessary, the remaining figures must be renumbered and appropriate changes made to the brief description of the several views of the drawings for consistency. Additional replacement sheets may be necessary to show the renumbering of the remaining figures. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either "Replacement Sheet" or "New Sheet" pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

### ***Claim Objections***

Claims 19 and 41 are objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form. A proper dependent claim shall not conceivably be infringed by anything which would not also infringe the basic claim. See MPEP § 608.01(n), Section III. However, the depending claims 19 and 41 recite "an article of manufacture comprising a computer storage medium storing therein computer program instructions, which when executed on a computer provide said computer estimate of one or more sources of future cash flow expected to be generated by the intangible assets in claim 1." Applying the infringement test, what is needed to infringe claims 19 and 41 is an article of manufacture, such as a disk with computer instructions for making financial calculations. However, such a disk would not infringe the method steps of claims 1 and 27. As a result, claims 19 and 41 are improper dependent claims.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States

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only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 19 and 41 are rejected under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 6,154,730 to Adams et al. (further referred to as Adams).

Regarding claims 19 and 41, Adams discloses an article of manufacture comprising a computer storage medium storing therein computer program instructions, which when executed on a computer provide said computer estimate of one or more sources of future cash flow expected to be generated by the intangible assets in claims 1 and 27 (column 1, lines 44-51; column 4, lines 23-47).

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1-3, 5-13, 15-18, 20-23, 27-29, 31-36, 38-40 and 42-45 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,154,730 to

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Adams et al. (further referred to as Adams), and further in view of Pub. No. U.S. 2001/0042034 A1 to Elliott (further referred to as Elliott).

Regarding claim 1, Adams discloses a computer-based method for managing the use of intangible assets as a business enterprise (column 1, lines 6-11), comprising:

a) providing a computer estimate of one or more sources of future cash flow expected to be generated by one or more intangible assets of the business enterprise (column 1, lines 41-51);

b) collecting and pooling rights to receive said cash flow(s) over a pre-determined time period (column 1, lines 52-53);

c) transferring said rights to at least one special purpose legal entity in a manner that effectively removes the respective cash flow(s) from the business enterprise's bankruptcy estate (column 1, lines 54-57).

d) granting by the special purpose entity of the rights to use said one or more intangible assets to an operating entity, in exchange for payments, wherein the grant of rights comprises target performance (column 1, lines 60-64; column 2, lines 56-65; column 3, lines 20-31).

e) monitoring the operating entity for compliance with the grant of rights (column 3, lines 38-50 and column 4, lines 25-40).

Adams does not disclose where the payments are royalty payments and wherein grant of rights comprises default provisions.

However, Elliott discloses where the payments are royalty payments (page 5, paragraph 55). It would be obvious to one of ordinary skill in the art to combine the royalty payments as disclosed by Elliott with the payments as disclosed by Adams. The motivation would be that both methods involve the payment of funds by an operating entity to a special purpose legal entity for the use of intangible assets which were sold from the operating entity to the special purpose legal entity, and this process is old and well known as being termed royalty payments.

Further, Elliott discloses wherein grant of rights comprises default provisions (page 1, paragraph 5). It would be obvious to one of ordinary skill in the art to combine the use of default provisions as disclosed by Elliott with the financing through securitization as disclosed by Adams. The motivation would be to provide investors with a prospect of protecting their investment by offering a provision should the operating entity default.

Regarding claim 27, Adams discloses a computer-based method for optimizing the use of intangible assets associated with a third-party business enterprise by a lender (column 1, lines 7-11 and lines 40-64), comprising:

- a) providing a computer estimate of the present value associated with at least one intangible asset of the third party (column 1, lines 46-54; column 2, lines 48-56);
- b) transferring assets corresponding to the provided computer estimate to a first special purpose legal entity in a manner that effectively removes the transferred assets from the lender's bankruptcy estate (column 1, lines 54-58);



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c) effecting the transfer of rights in the at least one intangible asset of the third party to at least one third party special purpose legal entity in a manner that effectively removes the asset from the third-party enterprise's bankruptcy estate (column 1, lines 54-58);

d) financing the third-party special purpose entity in exchange for a first priority lien on the at least one intangible asset (column 1, lines 59-60); and

e) establishing a transaction waterfall, wherein proceeds from licensing rights to the use of the at least one intangible asset are provided to the first special purpose legal entity (column 2, lines 59-65).

Regarding claim 42, Adams discloses a computer-based method for optimizing the use of intangible assets associated with a third-party business enterprise by a lender (column 1, lines 7-11 and lines 40-64), comprising:

a) providing a computer estimate of the present value associated with at least one intangible asset of the third party (column 1, lines 46-54; column 2, lines 48-56);

b) transferring assets corresponding to the provided computer estimate to a first special purpose legal entity in a manner that effectively removes the transferred assets from the lender's bankruptcy estate (column 1, lines 54-58);

c) effecting the transfer of rights in the at least one intangible asset of the third party to at least one third party special purpose legal entity in a manner that effectively removes the asset from the third-party enterprise's bankruptcy estate (column 1, lines 54-58);

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d) financing the third-party special purpose entity in exchange for a first priority lien on the at least one intangible asset (column 1, lines 59-60); and

e) establishing a transaction waterfall, wherein proceeds from licensing rights to the use of the at least one intangible asset are provided to the first special purpose legal entity (column 2, lines 59-65).

Adams does not disclosed a computerized network of devices or a telecommunications network. However, Elliott discloses a computerized network of devices or a telecommunications network (page 5, paragraphs 64-65). It would be obvious to one of ordinary skill in the art to combine the use of a network and telecommunications for sharing third party data as disclosed by Elliott with the system for obtaining third-party data as disclosed by Adams. The motivation would be to use an old and well known, fast, efficient, and real-time method for gathering data from third-parties.

Regarding claims 2 and 28, Adams discloses the method wherein the computer estimate us based in historical data related to the use of said one or more intangible assets (column 3, lines 5-20).

Regarding claims 3 and 29, Adams does not disclose wherein said one or more intangible assets comprise a portfolio of one or more patents. However, Elliott discloses wherein said one or more intangible assets comprise a portfolio of one or more patents (page 1, paragraphs 7 and 9). It would be obvious to combine the use of

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patents as disclosed by Elliott with the securitization as disclosed by Adams. The motivation would be that any source of future income, based on tangible or intangible assets, can be securitized for the structuring and obtaining of funds.

Regarding claims 5 and 31, Adams discloses the method wherein said one or more intangible assets comprise a business brand (column 1, lines 12-38; column 2, lines 34-40).

Regarding claims 6 and 32, Adams discloses the method wherein step (a) comprises generating a computer model of (license) revenues derived from the intangible assets and projected over the pre-determined time period in one or more geographic locations (column 3, lines 5-19).

Regarding claim 7, Adams discloses the method wherein step (a) further comprise comparing the generated computer model to historical data associated with the use of similar intangible assets by one or more business entities (column 3, lines 5-19 and lines 38-50).

Regarding claim 8, Adams discloses the method further comprising the step of correcting the computer model based on the comparison (column 3, lines 38-50).

Regarding claim 9, Adams discloses the method wherein the step (b) of collecting and pooling rights to receive said cash flow(s) is performed based on the provided computer estimate of said one or more sources of future cash flows (column 1, lines 41-54).

Regarding claims 10 and 34, Adams discloses the method wherein step (c) comprises the step of business restructuring designed to create at least one (third-party) special purpose legal entity, and at least one operating entity (column 1, lines 54-64; column 4, lines 12-15). Elliott further discloses the creation of at least one special purpose legal entity, and at least one (third party) operating entity (page 2, paragraphs 18 and 20; page 3, paragraph 31; and page 8, paragraph 134).

Regarding claims 11 and 35, Adams does not disclose the method wherein step (c) is accomplished by means of a true sale (to the third-party operating entity).

However, Elliott discloses the method wherein step (c) is accomplished by means of a true sale (page 2, paragraph 22; page 3, paragraph 31; page 4, paragraph 42; page 6, paragraph 96). It would be obvious to one of ordinary skill in the art to combine the use of a true sale as disclosed by Elliott with the securitization as disclosed by Adams. The motivation would be that use of loans and sales can be implemented in raising funds related to securitization.

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Regarding claim 12, Adams discloses the method wherein proceeds for the sale are procured by means of a third-part loan (column 2, lines 52-58).

Regarding claims 13 and 36, Adams discloses the method wherein step (c) further comprises the step of forming a special purpose entity for managing the transferred intangible assets (column 4, lines 12-40). Adams does not disclose where the name Manager is given, but the function and operation is to manage and it would therefore be obvious to one of ordinary skill in the art that the term manager could be used.

Regarding claims 15 and 38, Adams does not disclose the method further comprising the step of granting the rights to use said one or more intangible assets to a separate operating entity in the event of default, triggered in the step (e) of monitoring. However, Elliott disclose the method further comprising the step of granting the rights to use said one or more intangible assets to a separate operating entity in the event of default, triggered in the step (e) of monitoring (page 1, paragraph 5; page 2, paragraph 20; page 3, paragraph 23). It would be obvious to one of ordinary skill in the art to combine granting rights in the case of a default as disclosed by Elliott with the system of rights guarantee as disclosed by Adams. The motivation would be that the guarantor would expect assts in return should a default occur and granting the guarantor the rights would create an incentive for the guarantor to provide such guarantee services.

Regarding claim 16, Adams discloses the method wherein a third-party lender providing the loan issues securities using said pooled rights as collateral (column 1, lines 58-60; column 2, lines 48-56).

Regarding claim 17, Adams discloses the method further comprising the step of employing the proceeds from the loan to finance at least a portion of the operating costs of the business entity (column 1, lines 61-64).

Regarding claim 18, Adams discloses the method further comprising the step of employing the proceeds from the loan to re-finance debt obligations of the business entity (column 2, lines 34-45).

Regarding claim 20, Adams discloses a computer-based method for managing the use of intangible assets as a business enterprise (column 1, lines 6-11), comprising:

a) means for providing a computer estimate of one or more sources of future cash flow expected to be generated by one or more intangible assets of the business enterprise (column 1, lines 41-51);

b) means for collecting and pooling rights to receive said cash flow(s) over a pre-determined time period (column 1, lines 52-53);

c) means for transferring said rights to at least one special purpose legal entity in a manner that effectively removes the respective cash flow(s) from the business enterprise's bankruptcy estate (column 1, lines 54-57).

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d) means for generating an electronic document constituting a license agreement granting the rights to use said intangible assets to an operating entity, in exchange for payments, wherein the grant of rights comprises target performance (column 1, lines 60-64; column 2, lines 56-65; column 3, lines 20-31).

e) means for monitoring the operating entity for compliance with the grant of rights (column 3, lines 38-50 and column 4, lines 25-40).

Adams does not disclose where the payments are royalty payments and wherein grant of rights comprises default provisions.

However, Elliott discloses where the payments are royalty payments (page 5, paragraph 55). It would be obvious to one of ordinary skill in the art to combine the royalty payments as disclosed by Elliott with the payments as disclosed by Adams. The motivation would be that both methods involve the payment of funds by an operating entity to a special purpose legal entity for the use of intangible assets which were sold from the operating entity to the special purpose legal entity, and this process is old and well known as being termed royalty payments.

Further, Elliott discloses wherein grant of rights comprises default provisions (page 1, paragraph 5). It would be obvious to one of ordinary skill in the art to combine the use of default provisions as disclosed by Elliott with the financing through securitization as disclosed by Adams. The motivation would be to provide investors with a prospect of protecting their investment by offering a provision should the operating entity default.

Regarding claim 21, Adams discloses a system for managing the use of intangible assets of a business enterprise, the system comprising a computerized device for:

a) projecting one or more sources of future cash flow expected to be generated by the intangible assets of the business enterprise (column 1, lines 41-51), the projection being based at least in part on information obtained from third-party sources (column 3, lines 5-19);

b) providing a cash flow estimate expected to be generated by the intangible assets based on the projected one or more sources, and identifying ownership rights associated with the projected one or more sources (column 3, lines 5-19);

c) transferring the identified rights to one or more special purpose vehicles, each in the form of a separate legal entity, in a manner that effectively removes the respective cash flow(s) from the business enterprise's bankruptcy estate (column 1, lines 54-57).

d) issuing securities on behalf of at least one special purpose vehicle, using said pooled rights as collateral (column 1, lines 59-60 and column 2, lines 48-58);

e) employing the revenue generated from the sale of said securities to finance at least a portion of the operating costs of the business enterprise (column 1, lines 61-64).

Adams does not disclosed a computerized network of devices or a telecommunications network. However, Elliott discloses a computerized network of devices or a telecommunications network (page 5, paragraphs 64-65). It would be obvious to one of ordinary skill in the art to combine the use of a network and



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telecommunications for sharing third party data as disclosed by Elliott with the system for obtaining third-party data as disclosed by Adams. The motivation would be to use an old and well known, fast, efficient, and real-time method for gathering data from third-parties.

Regarding claims 22 and 43, Adams discloses the system further comprising means for predicting the likely dollar amount of the future cash flows and the inherent risks of amounts less those cash flows being received (column 1, line 65 – column 2, line 2).

Regarding claims 23 and 45, Adams discloses the system further comprising means for ensuring that investors in securities of the special purpose vehicle receive the maximum amount possible if cash flows are less than expected, and that they are insured or provided credit enhancement against such risk (column 2, lines 2-9).

Regarding claim 33, Adams discloses the method wherein step (a) further comprise comparing the generated computer model to historical data associated with licensing similar intangible assets by one or more business entities (column 3, lines 5-19 and lines 38-50), and correcting the computer model based on the comparison (column 3, lines 38-50).

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Regarding claim 39, Adams discloses the method wherein the first special purpose entity issues securities using rights in the at least one intangible asset as collateral (column 1, lines 58-60; column 2, lines 48-56).

Regarding claim 40, Adams discloses the method further comprising the step of employing the proceeds from the financing step (d) to re-finance debt obligations of the third-party entity (column 1, lines 61-64).

Regarding claim 44, Adams discloses the system further comprising means for issuing securities on behalf of the first special purpose vehicle, using as collateral rights in the at least one intangible asset of the third party (column 1, lines 58-60).

Claims 25-26 are rejected under 35 U.S.C. 103(a) as being anticipated by Pub No. US 2001/0042034 A1 to Elliott (further referred to as Elliott).

Regarding claim 25, Elliott discloses a method for making/preparing documentation concerning a computed market-based valuation for at least one intangible asset of a business enterprise (page 5, paragraphs 50 – 81), the method including:

Directing a digital computer processor to manipulate electrical signals to prepare a document corresponding to at least one intangible asset of a business enterprise

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being separated from the assets of the business enterprise in accordance with terms in the document (page 8, paragraph 131), and the document is made by steps comprising

Storing in an electronic memory electrical signals representing a computer valuation of future cash flow expected to be generated by said at least one intangible asset (page 6, paragraph 88; page 7, paragraph 122); storing in an electronic memory electrical signals representing the identify of a party being granted the exclusive rights to said at least one intangible asset (page 8, paragraph 131-134);

Wherein the document comprises at least two of the following: the identity of a legal entity designated to manage said at least one intangible asset to generate license revenues; the amount of license revenues to be generated from said at least one intangible asset over a pre-determined period of time; manufacturing and sourcing terms indicated obligations to manufacture and distribute products under a license to the rights of using said at least one intangible asset; and default provisions (page 1, paragraph 5; page 2, paragraphs 18 and 20; page 5, paragraphs 53-56; page 6, paragraph 96-98; page 8, paragraph 134).

Elliott does not disclose printing the document at a printer device operably connected to the computer. However, the Examiner takes Official Notice that it is old and well known to print documents to a printer device operably connected to a computer.

Regarding claim 26, Elliott discloses the method further comprising the steps of controlling the digital computer processor to manipulate electrical signals to prepare a

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second document corresponding to a financial agreement associated with the at least one intangible asset of the business enterprise (page 8, paragraph 130-132), said second document comprising at least two of the following: the identity of a legal entity providing financing in exchange for a first priority lien on the at least one intangible asset; the terms of the financing agreement over a predetermined period of time projected in the future; and default provisions (page 1, paragraph 5; page 2, paragraphs 18 and 20; page 5, paragraphs 53-56; page 6, paragraph 96-98; page 8, paragraph 134).

Claims 4, 14, 30 and 37 are rejected under 35 U.S.C. 103(a) as being unpatentable over Adams and Elliott as applied to claims 1 and 27 above, and further in view of Pub. No. US 2002/0023034 A1 to Brown et al. (further referred to as Brown).

Regarding claims 4 and 30, neither Adams nor Elliott disclose the method wherein one or more intangible assets comprise a portfolio of one or more trademarks. However, Brown discloses the method wherein one or more intangible assets comprise a portfolio of one or more trademarks (page 1, paragraph 1). It would be obvious to one of ordinary skill in the art to combine the use of trademarks as disclosed by Brown with the securitization of intangible assets as disclosed by Adams and Elliott. The motivation would be that trademarks are one of many forms of intangible assets held by companies which could be used as part of a financing operation.

Regarding claims 14 and 37, neither Adams nor Elliott disclose the method wherein step (c) is performed by means of an arms length agreement. However, Brown discloses the method wherein step (c) is performed by means of an arms length agreement. It would be obvious to one of ordinary skill in the art to combine the use of an arms length as disclosed by Brown with the securitization of intangible assets as disclosed by Adams and Elliott. The motivation would be create a system in which intangible assets were exchanged in a confidential manner, thus protecting the interests of parties both buying and selling rights and interests.

Claims 24 and 46 are rejected under 35 U.S.C. 103(a) as being unpatentable over Adams and Elliott as applied to claim 23 and 45 above, and further in view of "Securitization as a Funding Strategy" by Joseph Rizzi and Michael Maza in Corporate Finance, Oct. 1994 (further referred to as Rizzi).

Regarding claims 24 and 46, Adams discloses the system wherein credit enhancements to increase the likelihood that investors will receive the cash flows to which they are entitled (column 2, lines 2-6; column 3, lines 63-67; column 4, lines 9-12). Neither Adams nor Elliott disclose wherein the credit enhancements comprise internal and external credit supports. However, Rizzi discloses wherein the credit enhancements comprise internal and external credit supports (page 2, lines 37-45). It would be obvious to one of ordinary skill in the art to combine the use of internal and external credit enhancements as disclosed by Rizzi with the securitization of intangible

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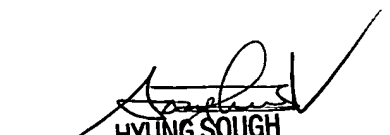
assets as disclosed by Adams and Elliott. The motivation would be to use both sources of credit enhancements to create an investment opportunity which is attractive to potential investors.

### ***Conclusion***

Any inquiry concerning this communication should be directed to Jennifer Liversedge whose telephone number is 571-272-3167. The examiner can normally be reached on Monday – Friday, 8:30 – 5 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Sam Sough can be reached at 571-272-6799. The fax number for the organization where the application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

  
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SUPERVISORY PATENT EXAMINER  
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Jennifer Liversedge

Examiner

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